

SENATE BILL 3166

By Faulk

AN ACT to amend Tennessee Code Annotated, Title 8 and Title 29, relative to insurance to protect against certain acts and omissions by government officials and employees.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-19-101, is amended by adding a new subsection as follows:

(e)

(1) Notwithstanding any law to the contrary, a governmental entity may obtain and pay the premiums or other costs with respect to, a policy of insurance issued by an insurance company duly authorized to do business in this state or an agreement with an administrative entity or pool established pursuant to § 29-20-401, that provides government crime coverage, employee dishonesty insurance coverage, or equivalent coverage that insures the faithful performance by officials and their employees of their fiduciary duties and responsibilities. Any such policy maintained shall have limits of not less than four hundred thousand dollars (\$400,000) per occurrence.

(2) A policy satisfying the requirements set forth in subdivision (e)(1) shall be deemed to be a blanket official bond for each official or office identified in the policy for all purposes, including § 4-4-108 and this section. A certificate of insurance evidencing the officials and offices covered, the amount of coverage maintained, and the type of coverage provided shall be filed with the office of the comptroller of the treasury, and in the case of county officials, the register's office

for the county in which the official is located. A certificate of insurance shall satisfy all requirements for the filing of the official bond by the named officials.

SECTION 2. Tennessee Code Annotated, Section 29-20-406, is amended by adding a new subsection as follows:

(c) Any governmental entity is authorized to obtain and pay the premiums for a government crime insurance policy or an employee dishonesty insurance policy that insures the faithful performance by officials and their employees of their duties and responsibilities.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.